



PRESS RELEASE

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**TWO PEOPLE CONVICTED FOR CONSPIRACY TO DEFRAUD
THE UNITED STATES WITH REGARD TO DONALD FLEMING AND
THE JACKSONVILLE TRAFFIC CENTER**

United States Attorney Paul I. Perez today announced today that a federal jury in Jacksonville, Florida, convicted William Allan Arnold and Joseph Welburn Evans of conspiracy to defraud the United States by unlawfully obstructing the Internal Revenue Service in connection with the personal income taxes of Donald Fleming and his radio broadcast business known as the Jacksonville Traffic Center.

William Allen Arnold, age 57 of Columbus, Georgia, and Joseph Welburn Evans, age 57, of Clifton, Tennessee, were convicted today for participating in a criminal conspiracy that spanned from the late 1980s to 1999 to defraud the U.S. Treasury in connection with obstructing the IRS from being able to determine the true gross income and possible income and employment taxes of a Jacksonville radio broadcast business commonly known as the "Jacksonville Traffic Center" and the personal income taxes of the owner of the business, Donald Fleming. Evidence presented at trial demonstrated that the

Traffic Center earned from at least \$500,000 to over \$1,000,000 annually in advertising sales from 1993 through 1999 in connection with radio broadcasts to multiple radio and television stations without reporting any of that income or paying either income taxes or employment taxes relating to the Traffic Center employees. Further, it was shown that the owner and operator of the Traffic Center, Donald Fleming, never reported any personal income throughout these years and undertook many steps to hide the true nature of the Traffic Center income from the IRS.

The Traffic Center, still operating today, has been the only Jacksonville radio broadcast operation that supplies broadcast information throughout the day to multiple radio and television stations in the metropolitan area. It provides both live traffic news broadcasts to customer radio and television stations as well as computer information for use by these stations.

Both Arnold and Evans were convicted of helping Donald Fleming in different ways in his efforts to block and obstruct the IRS from learning the true amount of the Traffic Center gross income and what amount of that income that was properly attributed to Donald Fleming as the owner of the business. At trial, the government argued that Arnold acted both as a “trustee” of various trusts that were shams or fictions designed to hide the true income of the Traffic Center. Further, that Arnold helped Fleming by forming a limited partnership that purportedly bought the Traffic Center in 1997, all the while never reporting to the IRS the true income of the business and allowing Fleming to continue to control and operate the Traffic Center behind the guise of this limited partnership. The government also argued that Evans assisted Fleming by serving as a president of a Caribbean nation corporation that formed a partnership to purportedly buy the Traffic Center business from

Arnold in a sham deal, all the while assisting Fleming by funneling large amounts of money to Fleming and helping him hide from the IRS the large amount of money he received from the business.

Prior to the three week trial and today's verdict, guilty pleas had been entered in the same case from Donald Fleming; his wife Joyce Fleming; Penny Minge Kamish, the Traffic Center business manager; Jonathan Bosworth, a radio business manager who later employed Donald Fleming; and Katherine Dunn, a California trust promoter who assisted Fleming in setting up sham trusts. Both Donald Fleming and Kamish pled guilty to a criminal conspiracy to obstruct the IRS in connection with the Traffic Center business; Joyce Fleming pled guilty to filing a false 1995 income tax return; Bosworth pled guilty to failure to pay employment taxes .

Both Arnold and Evans face a maximum penalty of 5 years' imprisonment, a criminal fine of \$250,000, or both the fine and imprisonment, and up to three years of supervised release after any term of imprisonment. Sentencing has been set for April 30, 2003, before the Honorable Harvey E. Schlesinger.

The investigation of the Jacksonville Traffic Center, Donald Fleming and others associated with the conspiracy to obstruct the IRS was conducted by Special Agents of the Internal Revenue Service Criminal Investigation Division in Jacksonville. Assistant United States Attorney Will Mackie and Troy Sellars of the U.S. Department of Justice were the prosecutors in all of these cases.